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Lawyers Title Insurance Corporation
7557 Rambler Road, Suite 1200
Dallas, TX 75231
phone: 214 346-7100 fax: 214 346-7270
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Direct Dial (214) 346-7271
E-Mail: dsaag@landam.com

May 5, 2004

Mr. Frederick Knaak
President
Ancona Title Services Corp.
3500 Willow Lake Blvd.
Vadnis Heights, MN 55110

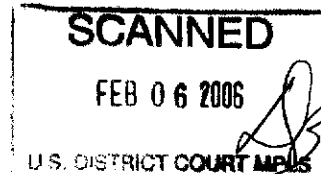
Re: Ramsey County, Minnesota; LTIC Claim No: C039898
LTIC Insured: Long Beach Mortgage
Ancona Title Services Corp Commitment # 00101230
Property Address: 392 S Lexington Ave, St. Paul, MN
Mortgagor: Brian Todd Gore

Dear Mr. Knaak:

As you know, Lawyers Title Insurance Corporation ("Lawyers Title") has received notice of a claim under the policy to be issued in conjunction with the above-referenced commitment for title insurance. The basis of this claim is that a mortgage and lis pendens were both recorded and registered prior to the recordation and registration of both the insured mortgage and the deed to the mortgagor. Lawyers Title has accepted coverage for this claim and engaged the law firm of Lommen Nelson on behalf of the insured. Once we determine an appropriate course of action for responding to the adverse claims, I will notify you accordingly.

Based on the foregoing, and as you should be aware, pursuant to Paragraph 4 of the Additional Terms and Conditions of the Agency Agreement between Ancona Title Services Corp ("Ancona") and Lawyers Title, Ancona may have liability for all or some of the losses and expenses Lawyers Title sustains or incurs by reason of this claim. Therefore, we request that Ancona notify its errors and omissions carrier of this claim.

This notice of potential liability is given for two main reasons. First, Lawyers Title wants to keep Ancona informed in the event a loss is sustained or expenses are incurred, and it becomes necessary for Lawyers Title to recover from Ancona. In addition, it gives Ancona ample time to notify its carrier of this claim.

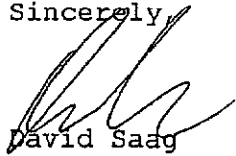


May 5, 2004
Mr. Frederick Knaak

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Please feel free to have a representative of Anoka's carrier contact me should there be any questions or requests for documentation. Also, please send me a copy of your letter notifying Ancona's carrier of this claim. If you have any questions with regard to the above, please do not hesitate to contact me.

Sincerely,



David Saag
Assistant Vice President
Associate Claims Counsel

DS/bc

cc: Mr. Graham Lant
Ms. Ann Peterson

Exh E



Lawyers Title Insurance Corporation
7557 Rambler Road, Suite 1200
Dallas, TX 75231
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VIA Facsimile & 1st Class Mail
(952) 925-5879

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E-Mail: dsaag@landam.com

May, 2004

Mr. David J. Usset
Usset & Weingarden P.L.L.P.
4500 Park Glen Rd.
Suite 310
Minneapolis, MN 55416

Re: Ramsey County, Minnesota; LTIC Claim No: C039898
LTIC Insured: Long Beach Mortgage
Ancona Title Services Corp Commitment # 00101230
Property Address: 392 S Lexington Ave, St. Paul, MN
Mortgagor: Brian Todd Gore

Dear Mr. Ussett:

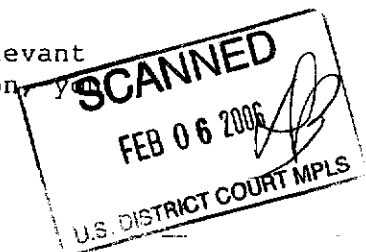
As you know, we are in receipt of your letter dated April 20, 2004, that was directed to the National Headquarters of Lawyers Title Insurance Corporation ("Lawyers Title") in Richmond, Virginia. Your letter was received by the Dallas Claims Center of Lawyers Title on April 23, 2004.

You have presented a claim on behalf of Long Beach Mortgage Company ("Long Beach") who has engaged your firm to initiate foreclosure proceedings with respect to the insured property. It is my understanding that in the course of preparing for foreclosure, you have discovered certain title defects to wit:

- i) The deed to the mortgagor is neither recorded nor registered;
- ii) The insured mortgage is neither recorded nor registered;
- iii) a subsequent mortgage dated September 16, 2003 has been both recorded and registered;
- iv) The USA has commenced a forfeiture proceeding with respect to the insured property and the lis pendens for this proceeding has been both recorded and registered.

This is to inform you it is the position of Lawyers Title that coverage is afforded for Long Beach's claim with respect to the above-referenced matters. Lawyers Title has engaged the law firm of Lommen Nelson on behalf of Long Beach. The attorney who will be primarily responsible for this matter is James Lockhart.

Once Mr. Lockhart has had an opportunity to review the relevant documentation and decide on an appropriate course of action,



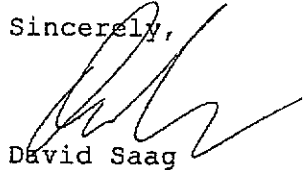
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May 5, 2004
Mr. David J. Usset

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will be notified accordingly. In the meantime, if you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



David Saag
Assistant Vice President
Associate Claims Counsel

DS/bc

cc: Mr. James Lockhart - VIA UPS Next Day Air
Ms. Ann Peterson
Mr. Frederick Knaak